

The Gazette of India



EXTRAORDINARY

PART II—Section 2

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LOK SABHA

The following Bills were introduced in Lok Sabha on the 29th July, 1957:—

(BILL* No. 52 OF 1957)

A Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 for the purposes of Railways.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) No. 2 Act, 1957.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Railways) Vote on Account Act, 1957] to the sum of nine hundred and four crores, eighty-seven lakhs and forty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58 in respect of the services relating to Railways specified in column 2 of the Schedule.

Issue of Rs. 9,04,87,47,000 out of the Consolidated Fund of India for the financial year 1957-58.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appropriation.

*The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding			5
		Voted by Parliament	Charged on the Consolidated Fund	Total	
		Rs.	Rs.	Rs.	10
1	Railway Board	71,48,000	..	71,48,000	
2	Miscellaneous Expenditure	1,69,35,000	4,27,000	1,73,62,000	
3	Payments to Worked Lines and others	43,26,000	..	43,26,000	
4	Working Expenses—Adminis- tration.	30,71,16,000	..	30,71,16,000	15
5	Working Expenses—Repairs and Maintenance.	93,91,98,000	..	93,91,98,000	
6	Working Expenses—Operating Staff.	59,39,18,000	..	59,39,18,000	20
7	Working Expenses—Operation (Fuel)	50,76,06,000	..	50,76,06,000	
8	Working Expenses—Operation other than Staff and Fuel	16,84,36,000	41,21,000	17,25,57,000	
9	Working Expenses—Miscellan- eous Expenses.	24,99,60,000	24,77,000	25,24,37,000	25
10	Working Expenses—Labour Welfare	7,17,66,000	..	7,17,66,000	
11	Working Expenses—Appropri- ation to Depreciation Reserve Fund	45,00,00,000	..	45,00,00,000	30
12	Dividend Payable to General Revenues.	43,78,73,000	..	43,78,73,000	
13	Open Line Works (Revenue)— Labour Welfare	1,03,33,000	..	1,03,33,000	35
14	Open Line Works (Revenue)— Other than Labour Welfare	10,69,26,000	..	10,69,26,000	
15	Construction of New Lines	18,13,23,000	..	18,13,23,000	

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
5				
16	Open Line-Works— Additions	Rs. 3,71,72,16,000	Rs. ..	Rs. 3,71,72,16,000
10	Open Line Work—Replacements	63,96,35,000	..	63,96,35,000
18	Open Line Works—Development Fund	32,36,96,000	..	32,36,96,000
20	Appropriation to Development Fund	30,83,11,000	..	30,83,11,000
15	TOTAL .	9,04,17,22,000	70,25,000	9,04,87,47,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by Lok Sabha in respect of the estimated expenditure of the Central Government on Railways, for the financial year 1957-58.

JAGJIVAN RAM.

NEW DELHI;

The 5th July, 1957.

BILL No. 50 OF 1957

A Bill further to amend the Industrial Finance Corporation Act, 1948.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Industrial Finance Corporation (Amendment) Act, 1957. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

15 of 1948. 2. In section 2 of the Industrial Finance Corporation Act, 1948 (hereinafter referred to as the principal Act), to clause (c), the following *Explanation* shall be added, namely:— Amendment of section 2.

10 *Explanation.*—The expression “processing of goods” includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation;’.

15 3. In section 17 of the principal Act, after sub-section (5), the following sub-section shall be inserted, namely:— Amendment of section 17.

“(6) If, for any reason, a Director nominated under clause (aa) or clause (b) of section 10 is unable to attend any meeting of the Board, the Central Government or the Reserve Bank as the case may be, may depute any other person to

attend the said meeting and such person shall, for all purposes of the said meeting, be deemed to be a Director nominated under clause (aa) or clause (b), as the case may be, of the said section.”.

Amendment of section 21. 4. In the proviso to sub-section (1) and the proviso to sub-section (f) of section 21 of the principal Act, for the words “five times”, the words “ten times” shall be substituted. 5

Amendment of section 22. 5. In section 22 of the principal Act, for the words “deposits from the public”, the words “from the Government, local authorities, or any person deposits” shall be substituted. 10

Amendment of section 23. 6. In section 23 of the principal Act,—

(i) in sub-section (1), after clause (a), the following clause shall be inserted, namely:—

“(aa) guaranteeing on such terms and conditions as may be agreed upon, deferred payments due from any industrial concern in connection with its import of capital goods from outside India: 15

Provided that no such guarantee shall be given without the prior approval of the Central Government;” and

(ii) in sub-section (2), after the words “prescribed by regulations”, the words “or unless it is guaranteed as to the repayment of principal and the payment of interest by the Central Government, State Government, a scheduled bank or a State co-operative bank” shall be inserted. 20

Amendment of section 25. 7. In sub-section (2) of section 25 of the principal Act,— 25

(i) for the words, figures and brackets “the Indian Companies Act, 1913 (VII of 1913)”, the words and figures “the Companies Act, 1956” shall be substituted; and

1 of 1956.

(ii) after the words “any instrument relating to the industrial concern”, the words “and nothing in the said Act or in any such law or instrument in so far as it makes, in relation to a director, any provision for the holding of any share qualification, age limit, restrictions on the number of directorships, retirement by rotation or removal from office shall apply to any Director appointed by the Corporation in pursuance of this section” shall be inserted. 30

8. In section 27 of the principal Act,—

Amendment
of section 27

(i) in sub-section (1), for the words “or otherwise”, the words “or any bank or financial institution in India or in any foreign country” shall be substituted; and

5 (ii) for sub-section (4), the following sub-section shall be substituted, namely:—

10 “(4) Any loss or profit accruing in connection with any borrowing of foreign currency under sub-section (1) for the purpose of granting loans or advances to any industrial concern or concerns or its repayment on account of any fluctuations in the rates of exchange shall be reimbursed by, or paid to, the industrial concern or concerns, as the case may be.”.

9. In section 28 of the principal Act,—

Amendment
of section 28.

15 (i) in sub-section (1), after the words “default in repayment”, the words “of any loan or advance or any instalment thereof” shall be inserted;

20 (ii) in sub-section (3A), for the words “properly incurred by it”, the words “which, in the opinion of the Corporation, have been properly incurred by it” shall be substituted; and

(iii) in sub-section (4), the words “of the owner” shall be omitted.

10. For sub-section (13) of section 30 of the principal Act, the following sub-section shall be substituted, namely:—

Amendment
of section 30.

25 “(13) The functions of a District Judge under this section shall be exercisable—

(a) in a presidency-town, by the High Court; and

(b) elsewhere, also by an Additional District Judge.”.

30 11. In sub-section (1) of section 30A of the principal Act, after the words “Directors of that industrial concern”, the following shall be inserted, namely:—

Amendment
of section
30A.

1 of 1956.

35 “and nothing in the Companies Act, 1956, or in any such law or instrument relating to the industrial concern in so far as it makes, in relation to a director, any provision for the holding of any share qualification, age limit, restrictions on the number of directorships, retirement by rotation or removal from office shall apply to any Director appointed by the Corporation under this section.”.

Amendment
of Sections
30B and 30E.

12. In sections 30B and 30E of the principal Act, for the words, figures and brackets "Indian Companies Act, 1913 (VII of 1913)", wherever they occur in those sections the words and figures "Companies Act, 1956" shall be substituted.

1 of 1956.

Amendment
of section 34.

13. In sub-section (1) of section 34 of the principal Act,—

5

(i) for the words, figures and brackets "section 144 of the Indian Companies Act, 1913 (VII of 1913)", the words and figures "section 226 of the Companies Act, 1956" shall be substituted; and

1 of 1956

(ii) for the words "the other", the words "the other auditor or auditors" shall be substituted.

10

Amendment
of section 35.

14. In sub-section (3) of section 35 of the principal Act, for the words "three months", the words "four months" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

As a sequel to rapid industrialisation of the country under the Second Plan, heavy import of capital goods by industrial concerns is necessary. In the present foreign exchange situation of the country, it is not possible for the Government to find all the foreign exchange required for large scale purchases of capital goods from abroad. Exporters are inclined to agree to deferred payments but insist on guarantee from Government or semi-Government institutions in respect of such payments. Accordingly, it is proposed to empower the Industrial Finance Corporation to undertake this type of business.

2. The Corporation is at present empowered to borrow from the public, Reserve Bank and the Central Government up to five times its paid-up share capital and the reserve fund. With the increasing tempo of industrialisation, the business of the Corporation has increased considerably during the last two years. To enable the Corporation to cope with the increasing demands on it, it is proposed to authorise the Corporation to borrow up to ten times its paid-up share capital *plus* the reserve fund.

3. Under the existing sub-section (4) of section 27 of the Act, the entire risk arising out of fluctuations in the rate of exchange in respect of foreign currency borrowing and repayment thereof is to be borne by the Central Government. In view of the large scale foreign exchange operations that will be required during the next few years, it is considered that these risks should more appropriately be borne by the industrial concerns on whose accounts these foreign exchange transactions take place. A suitable provision to this effect is accordingly proposed to be made.

4. In order to enable a large number of industries to avail themselves of the loan assistance from the Industrial Finance Corporation, it is proposed to define the expression "processing of goods" on the lines of the amendment made in 1955 in the State Financial Corporations Act, 1951. It is also proposed to enable the Corporation to provide credit to new industrial concerns when they are not in a position to offer adequate securities but deserve encouragement from the point of view of national economy by an amendment to sub-section (2) of section 23 of the Act.

5. The Bill seeks to achieve these objects. Opportunity has also been taken to incorporate some other amendments which are either found necessary in the light of experience gained in the working of the Act or are of a consequential or procedural nature. The notes on clauses appended to the Bill explain the provisions thereof.

NEW DELHI;

T. T. KRISHNAMACHARI.

The 18th July, 1957.

Notes on Clauses

Clause 2.—An explanation defining the expression “processing of goods” is being added to section 2(c) of the Act on the lines of the amendment made last year in the State Financial Corporations Act, 1951. This will enable a larger variety of industrial concerns to avail themselves of the loan assistance from the Corporation.

Clause 3.—This clause seeks to enable the Central Government and the Reserve Bank to nominate substitute Directors for attending the meetings of the Board of Industrial Finance Corporation. A similar provision was made last year in the State Financial Corporations Act, 1951.

Clause 4.—The Industrial Finance Corporation is at present empowered by section 21 of the Act to borrow from the public, Reserve Bank and the Central Government up to five times its paid-up capital *plus* reserves. Its present paid-up capital is Rs. 5 crores and reserves stand at Rs. 24 lakhs. The Industrial Finance Corporation has already borrowed to the extent of Rs. 17·3 crores from these sources and the Central Government is to lend Rs. 7·5 crores more to the Corporation during the remaining period of the Second Plan. With the increasing tempo of industrialisation, the business of the Corporation has increased considerably during the last two years. To enable the Corporation to cope with increasing demands on it, it is proposed to amend section 21 of the Act so that the Corporation may be able to borrow up to ten times its paid-up capital *plus* reserves.

Clause 5.—Section 22 of the Act empowers the Corporation to accept deposits only from the public. As it is felt doubtful whether the existing provision would enable acceptance of deposits from State Governments, local authorities, etc., it has become necessary to amend it.

Clause 6.—(i) As a sequel to rapid industrialisation, heavy imports of capital goods by the industrial concerns are necessary. In the difficult foreign exchange situation of the country, it is not possible for Government to find all the foreign exchange required for large scale purchases of capital goods from abroad. Exporters are inclined to agree to deferred payments but insist on guarantees from Government or semi-Government institutions. It is, therefore, proposed to amend sub-section (1) of section 23 of the Act

so as to enable the Industrial Finance Corporation to guarantee such deferred payments by industrial concerns.

(ii) The amendment proposed to sub-section (2) of section 23 of the Act is similar to that made in the State Financial Corporations Act, 1951, last year. It seeks to enable the Industrial Finance Corporation to provide credit particularly to new industrial concerns when they are not in a position to offer adequate security but deserve encouragement from the point of view of national economy.

Clause 7.—This clause seeks to exempt Directors appointed by the Corporation on the Boards of the borrower concerns from certain provisions of the Companies Act, 1956, *e.g.* retirement by rotation, disability on account of share qualifications, age limit, etc.

Clause 8.—(i) The amendment proposed is to make the intention clear.

(ii) Under the existing provision in section 27(4), the entire risk arising out of fluctuations in the rate of exchange in respect of foreign currency borrowing and repayment thereof are to be borne by the Central Government. These risks should be more appropriately borne by the industrial concerns on whose account these foreign exchange transactions take place.

Clause 9.—The amendments are mainly clarificatory in nature.

Clause 10.—The amendment aims at expeditious disposal of court cases.

Clauses 11 to 14.—The amendments are of a minor and consequential nature.

BILL* No. 49 OF 1957

A Bill to provide for the regulation of mines and the development of minerals under the control of the Union.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

PRELIMINARY

1. (1) This Act may be called the Mines and Minerals (Regulation and Development) Act, 1957.

Short title,
extent and
com-
mence-
ment.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and the development of minerals to the extent hereinafter provided.

Declara-
tion as to
expedi-
ency of
Union
control.

3. In this Act, unless the context otherwise requires,—

(a) “minerals” includes all minerals except mineral oils and minor minerals;

Defini-
tions.

(b) “mineral oils” includes natural gas and petroleum;

*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the consideration of the Bill.

(c) "mining lease" means a lease granted for the purpose of undertaking mining operations, and includes a sub-lease granted for such purpose;

(d) "mining operations" means any operations undertaken for the purpose of winning any mineral; 5

(e) "minor minerals" means building stones, gravel, ordinary clay, ordinary sand and any other mineral which the Central Government may, by notification in the Official Gazette, declare to be a minor mineral;

(f) "prescribed" means prescribed by rules made under this Act;

(g) "prospecting licence" means a licence granted for the purpose of undertaking prospecting operations;

(h) "prospecting operations" means any operations undertaken for the purpose of exploring, locating or proving mineral deposits; and 15

(i) the expressions, "mine" and "owner", have the meanings assigned to them in the Mines Act, 1952.

35 of 1952.

GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING OPERATIONS

20

Prospect-
ing or
mining
operations
to be
under
licence or
lease.

4. (1) No person shall undertake any prospecting or mining operations in any area, except under and in accordance with the terms and conditions of a prospecting licence or, as the case may be, a mining lease, granted under this Act and the rules made thereunder.

(2) No prospecting licence or mining lease shall be granted otherwise than in accordance with the provisions of this Act and the rules made thereunder. 25

Restric-
tions on
the grant
of pros-
pecting
licences or
mining
leases.

5. (1) No prospecting licence or mining lease shall be granted to any person unless he holds a certificate of approval in the prescribed form from the State Government and satisfies such other conditions as may be prescribed. 30

Explanation.—For the purposes of this sub-section, a person shall be deemed to hold a certificate of approval notwithstanding that at the relevant time his certificate of approval has expired if an application for its renewal is pending at that time. 35

(2) Except with the previous approval of the Central Government, no prospecting licence or mining lease shall be granted—

(a) as respects any mineral specified in the First Schedule,
or

(b) to any person who is not an Indian national. 40

Explanation.—For the purposes of this sub-section, a person shall be deemed to be an Indian national—

1 of 1956.

5 (a) in the case of a public company as defined in the Companies Act, 1956, only if a majority of the directors of the company are citizens of India and not less than fifty-one per cent. of the share capital thereof is held by persons who are either citizens of India or companies as defined in the said Act;

10 (b) in the case of a private company as defined in the said Act, only if all the members of the company are citizens of India;

(c) in the case of a firm or other association of individuals, only if all the partners of the firm or members of the association are citizens of India; and

15 (d) in the case of an individual, only if he is a citizen of India.

6. (1) No person shall acquire in any one State in respect of any mineral or prescribed group of associated minerals—

Maximum area for which a prospecting licence or mining lease may be granted.

(a) one or more prospecting licences covering a total area of more than fifty square miles; or

20 (b) one or more mining leases covering a total area of more than ten square miles:

Provided that if the Central Government is of opinion that in the interests of mineral development it is necessary so to do, the Central Government may, for reasons to be recorded, permit any
25 person to acquire one or more prospecting licences or mining leases for an area in excess of the aforesaid maximum.

(2) For the purposes of this section, a person acquiring a prospecting licence or mining lease by, or in the name of, another person shall be deemed to be acquiring it himself.

30 7. (1) The maximum period for which a prospecting licence may be granted shall be—

Maximum period for which prospecting licences or mining leases may be granted.

(a) in the case of mica, one year; and

(b) in the case of any other mineral, two years.

(2) The maximum period for which a mining lease may be granted shall be—

(a) in the case of coal, iron ore or bauxite for manufacture of aluminium, thirty years;

(b) in the case of any other mineral, twenty years.

Renewal
of pros-
pecting
licences
and min-
ing leases.

8. (1) A prospecting licence may be renewed for one or more periods, each not exceeding one year at a time, so however that the total period for which the licence is granted and renewed shall not exceed—

(a) in the case of mica, two years; and

5

(b) in the case of any other mineral, four years.

(2) A mining lease may be renewed, in the case of coal, iron ore or bauxite for manufacture of aluminium, for one period not exceeding thirty years or the duration of the original lease, whichever is less:

10

Provided that if the original lease was for not more than twenty years, the lease may be renewed for a second period not exceeding the duration of the original lease.

(3) A mining lease may be renewed, in the case of any mineral other than a mineral specified in sub-section (2), for one period 15 not exceeding twenty years or the duration of the original lease, whichever is less.

Royalties
in respect
of mining
leases.

9. (1) The holder of a mining lease shall pay royalty in respect of any mineral mined by him at the rate specified for the time being in the Second Schedule in respect of that mineral.

20

(2) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification:

Provided that the Central Government shall not—

25

(a) fix the rate of royalty in respect of any mineral so as to exceed twenty per cent. of the sale price of the mineral at the pit's head, or

(b) alter the rate of royalty in respect of any mineral more than once during any period of two years.

30

PROCEDURE FOR OBTAINING PROSPECTING LICENCES OR MINING LEASES IN
RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERN-
MENT

10. (1) An application for a prospecting licence or a mining lease in respect of any land in which the minerals vest in the Government shall be made to the State Government in the prescribed form and shall be accompanied by the prescribed fee.

Applica-
tion for
prospect-
ing licenc-
es or
mining
leases.

(2) Where any application is received under sub-section (1), there shall be sent to the applicant, as soon as may be, an acknowledge-
ment of its receipt in the prescribed form.

(3) On receipt of an application under this section, the State Government may, having regard to the provisions of this Act and any rules made thereunder, grant or refuse to grant the licence or lease.

15 11. (1) Where a prospecting licence has been granted in respect of any land, the licensee shall have a preferential right for obtaining a mining lease in respect of that land over any other person:

Prefer-
ential
right of
certain
persons.

Provided that the State Government is satisfied that the licensee has not committed any breach of the terms and conditions of the
20 prospecting licence and is otherwise a fit person for being granted the mining lease.

(2) Subject to the provisions of sub-section (1), where two or more persons have applied for a prospecting licence or a mining lease in respect of the same land, the applicant whose application was
25 received earlier shall have a preferential right for the grant of the licence or lease, as the case may be, over an applicant whose applica-
tion was received later:

Provided that where any such applications are received on the same day, the State Government, after taking into consideration the
30 matters specified in sub-section (3) and obtaining the previous approval of the Central Government, may grant the prospecting licence or mining lease, as the case may be, to such one of the applicants as it may deem fit.

(3) The matters referred to in sub-section (2) are the follow-
35 ing:—

(a) any special knowledge of, or experience in, prospecting operations or mining operations, as the case may be, possessed by the applicant;

(b) the financial resources of the applicant;

(c) the nature and quality of the technical staff employed or to be employed by the applicant;

(d) such other matters as may be prescribed.

(4) Notwithstanding anything contained in sub-section (2) but subject to the provisions of sub-section (1), the State Government may for any special reasons to be recorded and with the previous approval of the Central Government, grant a prospecting licence or a mining lease to an applicant whose application was received later in preference to an applicant whose application was received earlier.

Registers
of pros-
pecting
licences
and
mining
leases.

12. (1) The State Government shall cause to be maintained in the prescribed form— 10

(a) a register of applications for prospecting licences;

(b) a register of prospecting licensees;

(c) a register of applications for mining leases; and

(d) a register of mining lessees;

in each of which shall be entered such particulars as may be prescribed. 15

(2) Every such register shall be open to inspection by any person holding a certificate of approval from the State Government or by an authorised agent of such person, on payment of such fee as the State Government may fix. 20

RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

Power
of Central
Govern-
ment to
make
rules in
respect
of mine-
rals other
than
minor
minerals.

13. (1) The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minerals other than minor minerals and for purposes connected therewith. 25

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the person by whom, and the manner in which, applications for prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be made and the fees to be paid therefor;

(b) the form of acknowledgement of the receipt of any such application; 35

(c) the matters which may be considered where applications in respect of the same land are received on the same day;

(d) the persons to whom certificates of approval may be granted, the form of such certificates and the fees payable for the grant, or renewal thereof;

5 (e) the authority by which prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be granted;

(f) the procedure for the acquisition of a prospecting licence or a mining lease in respect of any land in which the minerals vest in a person other than the Government;

10 (g) the terms on which, and the conditions subject to which, a prospecting licence or a mining lease may be granted or renewed;

(h) the facilities to be afforded by holders of mining leases to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

15 (i) the fixing and collection of dead rent, fines, fees or other charges and the collection of royalties in respect of—

- (i) prospecting licences,
- 20 (ii) mining leases,
- (iii) minerals mined, quarried, excavated or collected;

(j) the manner in which rights of third parties may be protected (whether by payment of compensation or otherwise) in cases where any such party may be prejudicially affected by reason of any prospecting or mining operations;

25 (k) the grouping of associated minerals for the purposes of section 6;

(l) the manner in which and the conditions subject to which a prospecting licence or a mining lease may be transferred;

30 (m) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passages for water for mining purposes on any land comprised in a mining lease;

(n) the form of registers to be maintained under this Act;

35 (o) the disposal or discharge of any tailings, slime or other waste products arising from any mining or metallurgical operations carried out in a mine;

(p) the reports and statements to be submitted by holders of prospecting licences or owners of mines and the authority to which such reports and statements shall be submitted; and

(q) the authority by which and the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made and the manner in which such applications shall be disposed of.

5

Power of
State Gov-
ernments
to make
rules in
respect of
minor
minerals.

14. (1) The State Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minor minerals and for purposes connected therewith.

(2) Until rules are made under sub-section (1), any rules made by a State Government regulating the grant of prospecting licences and mining leases in respect of minor minerals which are in force immediately before the commencement of this Act shall continue in force.

Power to
make
rules for
modifica-
tion of
mining
lease
granted
before
25th
October,
1949.

15. (1) The Central Government may, by notification in the Official Gazette, make rules for the purpose of modifying or altering the terms and conditions of any mining lease granted prior to the 25th day of October, 1949, so as to bring such lease into conformity with the provisions of this Act and the rules made under sections 13 and 17.

20

(2) The rules made under sub-section (1) shall provide—

(a) for giving previous notice of the modification or alteration proposed to be made thereunder to the lessee, and where the lessor is not the Central Government, also to the lessor and for affording him an opportunity of showing cause against the proposal;

(b) for the payment of compensation by the party who may be benefited by the proposed modification or alteration to the party whose rights under the existing lease would thereby be adversely affected;

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(c) for the principles on which, the manner in which and the authority by which the said compensation shall be determined.

SPECIAL POWERS OF CENTRAL GOVERNMENT TO UNDERTAKE PROSPECTING OR MINING OPERATIONS IN CERTAIN CASES

35

Special
powers of
Central
Govern-
ment to
undertake
prospect-
ing or
mining
opera-
tions in
certain
lands.

16. (1) The provisions of this section shall apply only in respect of land in which the minerals vest in the Government of a State.

(2) The Central Government, after consultation with the State Government, may undertake prospecting or mining operations in any area not already held under any prospecting licence or mining lease, and where it proposes to do so, it shall, by notification in the Official Gazette,—

(a) specify the boundaries of such area;

(b) state whether prospecting or mining operations will be carried out in the area; and

(c) specify the mineral or minerals in respect of which such operations will be carried out.

5 (3) Where, in exercise of the powers conferred by sub-section (2), the Central Government undertakes prospecting or mining operations in any area, the terms and conditions subject to which the prospecting or mining operations may be carried on by the Central Government shall—

10 (a) as respects prospecting fee, royalty, surface rent or dead rent, be the same as would be applicable under this Act or any rules made thereunder, if such prospecting or mining operations were carried on by a private person under a prospecting licence or a mining lease, as the case may be;

15 (b) as respects any other matter, be such, as may be agreed upon between the Central Government and the State Government.

(4) The Central Government, with a view to enabling it to exercise the powers conferred on it by sub-section (2) may, after consultation with the State Government, by notification in the Official Gazette, declare that no prospecting licence or mining lease shall be granted in respect of any land specified in the notification.

DEVELOPMENT OF MINERALS

17. (1) It shall be the duty of the Central Government to take **Mineral develop-**
25 all such steps as may be necessary for the conservation and development of minerals in India, and for that purpose the Central Government may, by notification in the Official Gazette, make such rules as it thinks fit.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the opening of new mines and the regulation of mining operations in any area;

35 (b) the regulation of the excavation or collection of minerals from any mine;

(c) the measures to be taken by owners of mines for the purpose of beneficiation of ores, including the provision of suitable contrivances for such purpose;

(d) the development of mineral resources in any area;

(e) the notification of all new borings and shaft sinkings and the preservation of bore-hole records, and specimens of cores of all new bore-holes;

(f) the regulation of the arrangements for the storage of minerals and the stocks thereof that may be kept by any person; 5

(g) the submission of samples of minerals from any mine by the owner thereof and the manner in which and the authority to which such samples shall be submitted; and the taking of samples of any minerals from any mine by the State Government or any other authority specified by it in that behalf; and 10

(h) the submission by owners of mines of such special or periodical returns and reports as may be specified, and the form in which and the authority to which such returns and reports shall be submitted.

MISCELLANEOUS

15

Prospect- 18. Any prospecting licence or mining lease granted, renewed
ing licenc- or acquired in contravention of the provisions of this Act or any rules
es and or orders made thereunder shall be void and of no effect.
mining
leases to

be void if *Explanation.*—Where a person has acquired more than one pros-
'n contra- pecting licence or mining lease in any State and the aggregate area 20
vention of covered by such licences or leases, as the case may be, exceeds the
Act. maximum area permissible under section 6, only that prospecting
licence or mining lease the acquisition of which has resulted in such
maximum area being exceeded shall be deemed to be void.

Act and 19. The provisions of this Act and the rules made thereunder 25
rules to shall apply in relation to the renewal after the commencement of this
apply to Act of any prospecting licence or mining lease granted before such
all commencement as they apply in relation to the renewal of a pros-
renewals pecting licence or mining lease granted after such commencement.
of pros-
pecting
licences
and
mining
leases.

Penalties. 20. (1) Whoever contravenes the provisions of sub-section (1) 30
of section 4 shall be punishable with imprisonment which may ex-
tend to six months, or with fine which may extend to one thousand
rupees, or with both.

(2) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprison- 35
ment for a term which may extend to six months, or with fine which
may extend to one thousand rupees, or with both, and in the case of a
continuing contravention, with an additional fine which may extend to

one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

21. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or the State Government. Cogniz-
ance of
offences.

22. (1) If the person committing an offence under this Act or any rules made thereunder is a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. Offences
by com-
panies

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals;

(b) “director” in relation to a firm means a partner in the firm.

23. (1) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the Central Government in this behalf, by general or special order, may— Power of
entry and
inspec-
tion.

(a) enter and inspect any mine;

(b) survey and take measurements in any such mine;

(c) weigh, measure or take measurements of the stocks of minerals lying at any mine;

(d) examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon,

and take extracts from or make copies of such document, book, register or record;

(e) order the production of any such document, book, register, record, as is referred to in clause (d); and

(f) examine any person having the control of, or connected with, any mine.

(2) Every person authorised by the Central Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the powers conferred by clause (e) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be. 45 of 1861

Recovery of certain sums as arrears of land revenue.

24. Any rent, royalty, tax, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf, by general or special order, be recovered in the same manner as an arrear of land revenue. 15

Delegation of powers.

25. (1) The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification be exercisable also by—

(a) such officer or authority subordinate to the Central Government; or

(b) such State Government or such officer or authority subordinate to a State Government;

as may be specified in the notification.

(2) The State Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the State Government as may be specified in the notification. 30

(3) Any rules made by the Central Government under this Act may confer powers and impose duties or authorise the conferring of powers and imposition of duties upon any State Government or any officer or authority subordinate thereto. 35

Protection of action taken in good faith.

26. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act. 40

27. (1) All rules made under this Act by the Central Government shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

Rules to be laid before Parliament and certain rules to be approved by Parliament.

(2) Without prejudice to the generality of the rule-making power vested in the Central Government, no rules made with reference to clause (c) of sub-section (2) of section 15 shall come into force until they have been approved, whether with or without modifications, by each House of Parliament.

28. If the Central Government is of opinion that it is expedient in the public interest so to do, it may, by order, in writing giving reasons for such opinion, direct that all or any of the provisions of this Act or the rules made thereunder shall not apply or shall apply only with such modifications or subject to such conditions, restrictions or limitations as may be specified in the order, to, or in relation to, the granting of any prospecting licence or mining lease or the working of any mine.

Relaxation of the Provisions of this Act and rules made thereunder in special cases.

29. Save as otherwise provided in this Act the provisions of this Act shall apply to mining or prospecting operations undertaken by the Government.

Act binding upon the Government.

30. The Mines and Minerals (Regulation and Development) Act, 1948 shall be amended in the manner specified in the Third Schedule.

Amendments to Act 53 of 1948.

31. All acts of executive authority done, proceedings taken and sentences passed under the Mines and Minerals (Regulation and Development) Act, 1948, with respect to the regulation of mines and the development of minerals during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act by the Government or by any officer of the Government or by any other authority, in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the said Act, shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

Validation of certain acts and indemnity.

THE FIRST SCHEDULE

[See section 5 (2) (a)]

SPECIFIED MINERALS

1. Apatite and phosphatic ores.
2. Beryl. 5
3. Chrome ore.
4. Coal and lignite.
5. Columbite, samarskite and other minerals of the "rare earths" group.
6. Copper. 10
7. Gold.
8. Gypsum.
9. Iron ore.
10. Lead.
11. Manganese ore. 14
12. Molybdenum.
13. Nickel ores.
14. Platinum and other precious metals and their ores.
15. Pitchblende and other uranium ores.
16. Precious stones. 20
17. Rutile.
18. Silver.
19. Sulphur and its ores.
20. Tin.
21. Tungsten ores. 25
22. Uraniferous allanite, monazite and other thorium minerals.
23. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.
24. Vanadium ores.
25. Zinc. 30
26. Zircon.

THE SECOND SCHEDULE

(See section 9)

RATES OF ROYALTY

1. Coal Five per cent. of f.o.r. price subject to a minimum of fifty naye paise per ton.

2. Mica—

Either

- (a) Crude mica One rupee per maund.
- (b) Trimmed mica, all qualities other than heavy stained, dense stained and spotted. Three rupees per maund.
- (c) Trimmed mica other than that specified in item (b). One rupee and fifty naye paise per maund.
- (d) Waste and scrap mica Twelve naye paise per maund.

Or

Six-and-a-quarter per cent. of the sale price of mica at the pit's mouth, at the option of the lessor.

- 3 Gold, silver, platinum and other precious metals and their ores, copper, lead and zinc ores. Six-and-a-quarter per cent. of the sale price at the pit's mouth.

4. Iron—

- (a) Used for extraction of iron within the country. Five per cent. of the sale price at the pit's mouth subject to a minimum of fifty naye paise per ton.
- (b) Used for other purposes Five per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.

5. Precious stones Twenty per cent. of the sale price at pit's mouth.

Explanation.—For the purpose of this item, “price” means the price of “raw, uncut stone”, that is to say, stone from which adhering rock, soil and mud have been removed by washing or any other simple means, but which has not been subjected to any other process.

6. Manganese—
- (a) Manganese dioxide . Fifteen per cent. of the sale price at the pit's mouth subject to a minimum of three rupees per ton.
- (b) Manganese ore—
- (i) High grade (Forty-five per cent. Mn. and over). Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of two rupees per ton.
- (ii) Low grade (below Forty-five per cent. Mn.). Ten per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.
7. Chromite—
- (a) Forty-five per cent. Cr_2O_3 and above. Ten per cent. of the sale price at the pit's mouth subject to a minimum of two rupees and twenty-five *naye paise* per ton.
- (b) Less than Forty-five per cent. Cr_2O_3 . Seven-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of one rupee and twelve *naye paise* per ton.
8. Limestone Five per cent. of the sale price at the pit's mouth subject to a minimum of thirty-seven *naye paise* per ton.
9. Dolomite Five per cent. of the sale price at the pit's mouth subject to a minimum of twenty-five *naye paise* per ton.
10. Graphite Ten per cent. of the sale price at the pit's mouth.
11. China Clay Seven-and-a-half per cent. of the sale price at the pit's mouth.
12. Kyanite Ten per cent. of the sale price at the pit's mouth subject to a minimum of five rupees per ton.
13. Oil Shale Such royalty as may be fixed by agreement between the licensee/lessee and the State Government.
14. Gypsum Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.
15. All other minerals not hereinbefore specified. Five per cent. of the sale price at the pit's mouth.

THE THIRD SCHEDULE

(See section 30)

AMENDMENTS TO THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) ACT, 1948

1. In the long title, omit the words "mines and", and for the word "minerals", substitute "mineral oil resources".

2. In the preamble, omit the words "mines and" and the words "to the extent hereinafter specified", and for the word "minerals", substitute "mineral oil resources".

3. In section 1,—

(i) in sub-section (1), for the words "Mines and Minerals", substitute "Oilfields"; and

(ii) in sub-section (2), omit the words "except the State of Jammu and Kashmir".

4. Omit section 2.

5. In section 3, in clauses (c) and (d), for the word "minerals", substitute "mineral oils".

6. In section 5,—

(i) in sub-section (1), for the word "mineral" substitute "mineral oil"; and

(ii) in sub-section (2), in clause (d), for the word "minerals", substitute "mineral oils".

7. In section 6,—

(i) in sub-section (1), for the word "minerals", substitute "mineral oils";

(ii) In sub-section (2), omit clauses (a) and (b) and in clause (c), for the words "mineral resources", substitute 'mineral oil resources'; and

(iii) in clauses (h) and (i), for the word "minerals" substitute "mineral oils".

STATEMENT OF OBJECTS AND REASONS

The differentiation made between petroleum and other minerals in items 53 and 54 of the Union List has rendered separate enactments for the two necessary. The present Bill deals only with minerals other than petroleum. At present both are dealt with under the Mines and Minerals (Regulation and Development) Act, 1948 (53 of 1948).

Opportunity has been taken of putting forward this legislation to make some necessary changes in the provisions of the existing Act dictated by experience. These changes refer to—

(i) the prescription of a maximum limit of 50 square miles for a prospecting licence [Clause 6(1)];

(ii) the grant of a second renewal to the holder of a mining lease for iron ore and bauxite under certain circumstances [Clause 8(2)];

(iii) the authorisation of the Central Government to undertake prospecting and mining operations in any land after prior consultation with the State Government (Clause 16);

(iv) the promulgation of rules for the beneficiation of low grade ores [Clause 17(2) (c)];

(v) the recovery of royalty, dead rent and other sums due to Government in the same manner as arrears of land revenue (Clause 24); and

(vi) the delegation of certain powers to State Governments and by State Governments to their subordinate authorities (Clause 25).

A number of provisions hitherto dealt with under the rule making powers of the Central Government have been transferred to the Act in order to restrict the scope of subsidiary legislation. These provisions are:—

(i) no concession shall be granted to a person not in possession of a certificate of approval [Clause 5(1)];

(ii) the maximum period for which a prospecting licence or a mining lease may be granted (Clauses 7 and 8);

(iii) the power to prescribe rates of royalty for various minerals [Clause 9 and Schedule II];

(iv) applications for prospecting licences and mining leases to be made in prescribed forms [Clause 10 (1)];

(v) the priorities to be observed in the grant of prospecting licences and mining leases [Clause 11 (2)]; and

(vi) the power to make rules for regulating the grant of mineral concessions (Clause 13).

NEW DELHI;

K. D. MALAVIYA.

The 22nd June, 1957.

FINANCIAL MEMORANDUM

Clause 16(2) of the Bill empowers the Central Government to undertake prospecting or mining operations in any area not already held under a prospecting licence or mining lease. Under clause 16(3) of the Bill, the prospecting or mining operations in any area undertaken by the Central Government will be subject to the payment of the same prospecting fee, royalty, surface rent or dead rent as applicable in the case of prospecting or mining operation carried on by a private person. It is not possible to say at this stage what will be the extent of the prospecting or mining operations that may be undertaken by the Central Government since this is yet to be decided. For this reason, it is not possible to give any idea of the amount of expenditure that may be incurred by the Central Government on prospecting or mining operations undertaken by them.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 13, 14, 15 and 17 of the Bill empower the Central Government to make rules in respect of certain matters.

2. Clause 13 empowers the Central Government to make rules for regulating the grant of prospecting licences and mining leases and for purposes connected therewith. The corresponding provision in the existing Act of 1948 is contained in section 5 of that Act. It would appear by comparison of the two provisions, that the rule-making power in the new Bill is very much restricted. Certain important matters on which rules could be made under section 5 of the Act of 1948 have now been incorporated in the Bill itself. Some of these matters are the following:—

(1) persons who are qualified to apply for a prospecting licence or a mining lease (Clause 5);

(2) the maximum area for which a prospecting licence or a mining lease may be granted (Clause 6);

(3) the maximum period for which a prospecting licence or a mining lease may be granted (Clause 7);

(4) the period for which a prospecting licence or mining lease may be renewed (Clause 8);

(5) the royalties payable for mining leases (Clause 9);

(6) the procedure for obtaining prospecting licences or mining leases in respect of land in which the mineral vests in the Government (Clauses 10 and 11);

(7) the maintenance of register of applicants for prospecting licences and mining leases and the register of prospecting licences and mining leases (Clause 12).

It would thus appear that the rule-making power under clause 13 has now been restricted mostly to procedural matters.

3. Clause 14 retains the existing power of State Government to make rules in respect of minor minerals.

4. Clause 15 empowers the Central Government to make rules for the purpose of modifying or altering the terms and conditions of mining leases granted before the 25th October, 1949—the date on which the Mineral Concession Rules, 1949, came into force. The

clause corresponds to section 7 of the existing Act of 1948. Rules under section 7 of the existing Act have been made and have received the approval of the House of the People. Clause 15 has been inserted in the Bill in order to enable the Central Government to make any amendment in the rules which may hereafter become necessary.

5. Clause 17 empowers the Central Government to make rules on certain technical matters. It is not feasible to incorporate the provisions on which rules can be made under this clause in the Bill itself. Technical matters are generally regulated by rules.

6. The Bill also empowers the Central Government to issue notifications and orders in respect of certain matters, namely:—

(i) declaration of a mineral as a minor mineral [Clause 3(e)];

(ii) permitting the grant of a prospecting licence or a mining lease for an area exceeding the maximum area [proviso to clause 6(1)];

(iii) enhancing or reducing the rates of royalty payable in respect of any mineral [Clause 9(2)].

The power under item (i) is of a minor character. The powers under items (ii) and (iii) are intended to provide for a certain amount of flexibility in these matters. If these provisions are made too rigid the administration of the Act may become somewhat difficult. These powers will be exercised in exceptional cases and only when the public interest or the interests of the development of minerals so require.

BILL No. 51 OF 1957

A Bill to provide for the reorganisation of certain corporations functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956, and for matters connected therewith.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. This Act may be called the Inter-State Corporations Act, 1957. Short title,

2. In this Act, "inter-State corporation" means any body corporate constituted under any of the Acts specified in the Schedule and functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956. Definition.

37 of 1956.

3. If it appears to the Government of a State in any part of which an inter-State corporation is functioning that the inter-State corporation should be reconstituted and reorganised as one or more inter-State corporations or that it should be dissolved, the State Government may frame a scheme for such reconstitution and reorganisation or such dissolution, as the case may be, including proposals regarding the transfer of the assets, rights and liabilities of the inter-State corporation to any other corporations or State Governments and the transfer or re-employment of employees of the inter-State corporation and forward the scheme to the Central Government. Power of State Governments to frame schemes.

4. (1) On receipt of a scheme forwarded to it under section 3, the Central Government may, after consulting the State Governments concerned, approve the scheme with or without modifications and give effect to the scheme so approved by making such order as it thinks fit. Reorganisation of certain inter-State corporations.

(2) An order made under sub-section (1) may provide for all or any of the following matters, namely:—

(a) the dissolution of the inter-State corporation;

(b) the reconstitution and reorganisation in any manner whatsoever of the inter-State corporation including the constitution, where necessary, of new corporations;

(c) the area in respect of which the reconstituted corporation or new corporation shall function and operate;

(d) the transfer, in whole or in part, of the assets, rights and liabilities of the inter-State corporation (including the rights and liabilities under any contract made by it) to any other corporations or State Governments and the terms and conditions of such transfer;

(e) the substitution of any such transferee for the inter-State corporation, or the addition of any such transferee, as a party to any legal proceeding to which the inter-State corporation is a party; and the transfer of any proceedings pending before the inter-State corporation to any such transferee;

(f) the transfer or re-employment of any employees of the inter-State corporation to, or by, any such transferee and subject to the provisions of section 111 of the States Reorganisation Act, 1956, the terms and conditions of service applicable to such employees after such transfer or re-employment;

(g) the adaptations or modifications of the Act under which the inter-State corporation was constituted, whether by way of repeal or amendment, as may be necessary or expedient to give effect to the approved scheme;

(h) such incidental, consequential and supplementary matters as may be necessary to give effect to the approved scheme.

(3) Where an order is made under this section transferring the assets, rights and liabilities of any inter-State corporation, then, by virtue of that order, such assets, rights and liabilities of the inter-State corporation shall vest in, and be the assets, rights and liabilities of, the transferee.

(4) Every order made under this section shall be published in the Official Gazette and the Act under which the inter-State corporation was constituted shall have effect subject to the provisions of the order and the adaptations and modifications made thereby until altered, repealed or amended by the competent Legislature of a State.

(5) Every order made under this section shall be laid before each House of Parliament, as soon as may be, after it is made.

- 37 of 1956. 5 5. The Central Government may, by notification in the Official Gazette, specify in the Schedule any Act under which a body corporate constituted for a State is functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956, and on the issue of such notification, the Schedule shall be deemed to be amended by the inclusion of the said Act therein.

Power of
Central Gov-
ernment to
add to the
Schedule.

THE SCHEDULE

(See sections 2 and 5)

- 10 1. The Bombay Medical Practitioners Act, 1938 (Bom. XXVI of 1938).
2. The Bombay Secondary School Certificate Examination Act, 1948 (Bom. XLIX of 1948).
3. The Bombay Housing Board Act, 1948 (Bom. LXIX of 1948).
4. The Bombay Khar Lands Act, 1948 (Bom. LXXII of 1948).
- 15 5. The Bombay Public Trust Act, 1950 (Bom. XXIX of 1950).
6. The Bombay Labour Welfare Fund Act, 1953 (Bom. XL of 1953).
7. The Bombay Nurses, Midwives and Health Visitors Act, 1954 (Bom. XIV of 1954).
- 20 8. The Bombay Village Industries Act, 1954 (Bom. XLI of 1954).
9. The Hyderabad Nurses, Midwives and Health Visitors' Registration Act, 1951 (Hyd. XIX of 1951).
10. The Hyderabad Khadi and Village Industries Board Act, 1955 (Hyd. XII of 1955).
- 25 11. The Madhya Pradesh Bhudan Yagna Act, 1953 (M.P. XV of 1953).

STATEMENT OF OBJECTS AND REASONS

As a result of the States Reorganisation Act, 1956, a number of corporate bodies constituted under State Acts before the commencement of that Act (i.e., the 1st November, 1956) for the purposes of individual States found themselves transformed into inter-State corporations on that date. To meet the situation, it was provided in section 109 of the States Reorganisation Act that such a corporation shall continue to function and operate in those areas in respect of which it was functioning and operating immediately before 1st November, 1956, subject to the directions of the Central Government, until other provision is made by law in respect of that corporation. This was only intended to be a transitional provision.

2. It is proposed in this Bill to make a general provision for the reorganisation of any such inter-State corporation as one or more intra-State corporations at the instance of any of the State Governments concerned in that corporation. The State Government would frame a scheme for the purpose, providing for the division of the assets and liabilities of the corporation, the transfer or re-employment of its employees and other incidental matters. The Central Government after consulting the other State Governments concerned would give effect to the scheme by making a comprehensive order and notifying it in the Official Gazette.

3. Eleven State Acts are specified in the Schedule to the Bill on the basis of information supplied by the State Governments. Since it is possible that this list may not be complete, it is proposed in clause 5 of the Bill to empower the Central Government to include in the Schedule by means of a notification any other State Act under which a corporate body is now functioning in more than one State as a result of the States Reorganisation Act.

NEW DELHI;
The 18th July, 1957.

A. K. SEN.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill empowers the Central Government to make an order to give effect to a scheme for the reorganisation of any inter-State corporation at the instance of any of the State Governments concerned in such corporation. The State Government would frame a scheme for the purpose and the Central Government, after consulting the other State Governments concerned, would give effect to the scheme by making an order and notifying it in the Official Gazette. Having regard to the circumstances of the case, the delegation of legislative power is of a normal character. Moreover, every order to be made under clause 4 when enacted shall be laid before both Houses of Parliament.

M. N. KAUL,
Secretary.

